

AMENDED IN SENATE APRIL 21, 2003

SENATE BILL

No. 210

Introduced by Senator Burton

February 13, 2003

An act to amend Sections 6750, 6752, and 6753 of the Family Code, and to ~~add Section 1300.5 to~~ *amend Section 1308.6 of* the Labor Code, relating to minors, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 210, as amended, Burton. Minors: artistic employment contracts.

(1) Existing law regulates certain contracts for artistic employment between an unemancipated minor and third parties, including employment as an actor, dancer, musician, comedian, singer, stuntperson, voice-over artist, or other performer or entertainer, or sports participant. Existing law provides for the establishment of a trust for the purpose of preserving for the benefit of the minor ~~certain portions~~ *15% of the minor's gross earnings or a greater percentage, if requested by the minor's parent or guardian.*

This bill would expand those provisions to include modeling, and would define a minor's gross earnings for these purposes. The bill would specify who is a minor's employer for these purposes. The bill would *limit the trust amounts to 15% of the minor's gross earnings and would* specify the time period within which a minor's employer must receive a true and accurate photocopy of the trustee's statement. The bill would require the employer of a minor to forward to ~~the~~ *The Actors' Fund of America* the funds ~~ordered to be~~ set aside for the minor, ~~and to so notify the parent, guardian, or trustee,~~ if the parent, guardian, or

trustee fails to provide the photocopy, as specified. The bill would also specify the rights and duties of ~~the~~ The Actors' Fund of America in this regard, *including the right to collect management, administrative, and investment expenses, and would exempt funds received by* ~~the~~ The Actors' Fund of America under the bill from the application of the Unclaimed Property Law, and provide for the dispersal of those funds to a beneficiary who has attained 18 years of age or *who has been emancipated, or to the estate of a deceased beneficiary.* The bill would provide that the trust account established for the minor pursuant to these provisions would be known as a Coogan Trust Account. The bill would make corresponding changes, and ~~restrict~~ *condition* the issuance of *certain* work permits for a minor in the entertainment industry *upon the establishment of a Coogan Trust Account*, as specified.

(2) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6750 of the Family Code is amended to
2 read:

3 6750. (a) This chapter applies to the following contracts
4 entered into between an unemancipated minor and any third party
5 or parties on or after January 1, 2000:

6 ~~(a)~~

7 (1) A contract pursuant to which a minor is employed or agrees
8 to render artistic or creative services, either directly or through a
9 third party, including, but not limited to, a personal services
10 corporation (loan-out company), or through a casting agency or
11 modeling agency. "Artistic or creative services" includes, but is
12 not limited to, services as an actor, actress, dancer, musician,
13 comedian, singer, stunt-person, voice-over artist, or other
14 performer or entertainer, or as a songwriter, musical producer or
15 arranger, writer, director, producer, production executive,
16 choreographer, composer, conductor, or designer.

17 ~~(b)~~

18 (2) A contract pursuant to which a minor agrees to purchase, or
19 otherwise secure, sell, lease, license, or otherwise dispose of
20 literary, musical, or dramatic properties, or use of a person's

1 likeness, voice recording, performance, or story of or incidents in
2 his or her life, either tangible or intangible, or any rights therein
3 for use in motion pictures, television, the production of sound
4 recordings in any format now known or hereafter devised, the
5 legitimate or living stage, or otherwise in the entertainment field.

6 ~~(e)~~

7 (3) A contract pursuant to which a minor is employed or agrees
8 to render services as a participant or player in a sport.

9 ~~(d) (1) It~~

10 (b) (1) If a minor is employed or agrees to render services
11 directly for any person or entity, that person or entity shall be
12 considered the minor's employer for purposes of this chapter.

13 (2) If a minor's services are being rendered through a
14 third-party individual or personal services corporation (loan-out
15 company), the person to whom or entity to which that third party
16 is providing the minor's services shall be considered the minor's
17 employer for purposes of this chapter.

18 (3) If a minor renders services as an extra, background
19 performer, or in a similar capacity, or as a model, through an
20 agency or service that provides one or more such performers or
21 models for a fee (casting agency or modeling agency), the agency
22 or service shall be considered the minor's employer for the
23 purposes of this chapter.

24 ~~(e)~~

25 (c) (1) For purposes of this chapter, the minor's "gross
26 earnings" shall mean the total compensation payable to the minor
27 under the contract; or, if the minor's services are being rendered
28 through a third-party individual or personal services corporation
29 (loan-out company), the total compensation payable to that third
30 party for the services of the minor.

31 (2) Notwithstanding paragraph (1), with respect to contracts
32 pursuant to which a ~~person~~ minor is employed or agrees to render
33 services as a musician, singer, songwriter, musical producer, or
34 arranger only, for purposes of this chapter, the minor's "gross
35 earnings" shall mean the total amount paid to the minor pursuant
36 to the contract, including the payment of any advances to the minor
37 pursuant to the contract, but excluding deductions to offset those
38 advances or other expenses incurred by the employer pursuant to
39 the contract, or, if the minor's services are being rendered through
40 a third-party individual or personal services corporation (loan-out

1 company), the total amount payable to that third party for the
2 services of the minor.

3 SEC. 2. Section 6752 of the Family Code is amended to read:

4 6752. (a) A parent or guardian, ~~as the case may be,~~ entitled
5 to the physical custody, care, and control of a minor who enters
6 into a contract of a type described in Section 6750 shall provide a
7 certified copy of the minor's birth certificate indicating the
8 minor's minority to the other party or parties to the contract and
9 in addition, in the case of a guardian, a certified copy of the court
10 document appointing the person as the minor's legal guardian.

11 (b) (1) Notwithstanding any other statute, in an order
12 approving a minor's contract of a type described in Section 6750,
13 the court shall require that 15 percent of the minor's gross earnings
14 pursuant to the contract be set aside by the minor's employer in
15 trust, in an account or other savings plan, and preserved for the
16 benefit of the minor in accordance with Section 6753. ~~The court
17 may also require that more than 15 percent of the minor's gross
18 earnings be set aside in trust, in an account or other savings plan,
19 and preserved for the benefit of the minor in accordance with
20 Section 6753, upon request of the minor's parent or legal guardian,
21 or the minor, through his or her guardian ad litem.~~

22 (2) The court shall require that at least one parent or legal
23 guardian, as the case may be, entitled to the physical custody, care,
24 and control of the minor at the time the order is issued be appointed
25 as trustee of the funds ordered to be set aside in trust for the benefit
26 of the minor, unless the court shall determine that appointment of
27 a different individual, individuals, entity, or entities as trustee or
28 trustees is required in the best interest of the minor.

29 (3) Within 10 business days after commencement of
30 employment, the trustee or trustees of the funds ordered to be set
31 aside in trust shall provide the minor's employer with a true and
32 accurate photocopy of the trustee's statement pursuant to Section
33 6753.

34 (4) The minor's employer shall deposit or disburse the funds as
35 ~~required by the order within 15 business days of receiving the~~
36 ~~order and receiving the trustee's statement pursuant to Section~~
37 ~~6753. Notwithstanding any other statute, pending receipt of the~~
38 ~~trustee's statement, the minor's employer shall hold for the benefit~~
39 ~~of the minor the percentage ordered by the court of the minor's 15~~
40 *percent of the minor's gross earnings pursuant to the contract*

1 *within 15 business days after receiving a true and accurate copy*
2 *of the trustee's statement pursuant to subdivision (c) of Section*
3 *6753, a certified copy of the minor's birth certificate, and, in the*
4 *case of a guardian, a certified copy of the court document*
5 *appointing the person as the minor's guardian. Notwithstanding*
6 *any other provision of law, pending receipt of these documents, the*
7 *minor's employer shall hold, for the benefit of the minor, the 15*
8 *percent of the minor's gross earnings pursuant to the contract.*

9 (5) When making the initial deposit of funds pursuant to the,
10 *the minor's employer shall provide written notification to the*
11 *financial institution or company that the funds are subject to*
12 *Section 6753. Upon receipt of the court order, the minor's*
13 *employer shall provide the financial institution with a copy of the*
14 *order.*

15 (6) Once the minor's employer deposits the set aside funds
16 pursuant to Section 6753, in trust, in an account or other savings
17 plan, the minor's employer shall have no further obligation or duty
18 to monitor or account for the funds. The trustee or trustees of the
19 trust shall be the only individual, individuals, entity, or entities
20 with the obligation or duty to monitor and account for those funds
21 once they have been deposited by the minor's employer. The
22 trustee or trustees shall do an annual accounting of the funds held
23 in trust, in an account or other savings plan, in accordance with
24 Sections 16062 and 16063 of the Probate Code.

25 (7) The court shall have continuing jurisdiction over the trust
26 established pursuant to the order and may at any time, upon
27 petition of the parent or legal guardian, the minor, through his or
28 her guardian ad litem, or the trustee or trustees, on good cause
29 shown, order that the trust be amended or terminated,
30 notwithstanding the provisions of the declaration of trust. An order
31 amending or terminating a trust may be made only after reasonable
32 notice to the beneficiary and, if the beneficiary is then a minor, to
33 the parent or guardian, if any, and to the trustee or trustees of the
34 funds with opportunity for all parties to appear and be heard.

35 ~~(8) The trustee or trustees of the funds ordered to be set aside~~

36 (8) *A parent or guardian entitled to the physical custody, care,*
37 *and control of the minor shall promptly notify the minor's*
38 *employer in writing of any change in facts that affect the*
39 *employer's obligation or ability to set aside the funds in*
40 *accordance with the order, including, but not limited to, a change*

1 of financial institution or account number, or the existence of a
2 new or amended order issued pursuant to paragraph (7) amending
3 or terminating the employer's obligations under the original order
4 *this section*. The written notification shall include the information
5 set forth in paragraph (3) and shall be accompanied by *shall be*
6 *accompanied by a true and accurate photocopy of the trustee's*
7 *statement pursuant to Section 6753 and, if applicable, a true and*
8 *accurate photocopy of the new or amended order.*

9 (9) (A) If a parent, guardian, or trustee fails to provide the
10 minor's employer with a true and accurate photocopy of the
11 trustee's statement pursuant to Section 6753 within 60 days of the
12 employer's receipt of the order, the employer shall forward to the
13 ~~Actors' Fund of America the funds ordered to be set aside and a~~
14 ~~copy of the order~~ *after the commencement of employment, the*
15 *employer shall forward to The Actors' Fund of America 15 percent*
16 *of the minor's gross earnings pursuant to the contract, together*
17 *with the minor's name and, if known, the minor's social security*
18 *number, birth date, last known address, telephone number, e-mail*
19 *address, dates of employment, and title of the project on which the*
20 *minor was employed, and shall notify the parent, guardian, or*
21 *trustee of that transfer by certified mail to the last known address.*
22 Upon receipt of those forwarded funds, ~~the~~ *The Actors' Fund of*
23 *America shall become the trustee of those funds and the minor's*
24 *employer shall have no further obligation or duty to monitor or*
25 *account for the funds.*

26 (B) The Actors' Fund of America shall make its best efforts to
27 notify the parent, guardian, or trustee of their responsibilities to
28 provide a true and accurate photocopy of the trustee's statement
29 pursuant to Section 6753, and in the case of a guardian, a certified
30 copy of the court document appointing the person as the minor's
31 legal guardian. Within 15 business days ~~of~~ *after* receiving those
32 documents, ~~the~~ *The Actors' Fund of America shall deposit or*
33 *disburse the funds as directed by the trustee's statement, and in*
34 ~~accordance with the order.~~ When making that deposit or disbursal
35 of the funds, ~~the~~ *The Actors' Fund of America shall provide to the*
36 *financial institution with notice that the funds are subject to*
37 *Section 6753 and a copy of each applicable order, and shall*
38 *thereafter have no further obligation or duty to monitor or account*
39 *for the funds.*

(c) *The Actors' Fund of America shall notify each beneficiary of his or her entitlement to the funds that it holds for the beneficiary within 60 days after the date on which its records indicated that the beneficiary has attained 18 years of age or the date on which it received notice that the minor has been emancipated, by sending that notice to the last known address for the beneficiary or, if it has no specific separate address for the beneficiary, to the beneficiary's parent or guardian.*

(d) (1) Notwithstanding any other statute, for any minor's contract of a type described in Section 6750 that is not being submitted for approval by the court pursuant to Section 6751, or for which the court has issued a final order denying approval, 15 percent of the minor's gross earnings pursuant to the contract shall be set aside by the minor's employer in trust, in an account or other savings plan, and preserved for the benefit of the minor in accordance with Section 6753. At least one parent or legal guardian, as the case may be, entitled to the physical custody, care, and control of the minor, shall be the trustee of the funds set aside for the benefit of the minor, unless the court, upon petition by the parent or legal guardian, the minor, through his or her guardian ad litem, or the trustee or trustees of the trust, shall determine that appointment of a different individual, individuals, entity, or entities as trustee or trustees is required in the best interest of the minor.

(2) Within 10 business days of commencement ~~of~~ *after* employment, a parent or guardian, as the case may be, entitled to the physical custody, care, and control of the minor shall provide the minor's employer with a true and accurate photocopy of the trustee's statement pursuant to ~~subdivision (c)~~ of Section 6753 and in addition, in the case of a guardian, a certified copy of the court document appointing the person as the minor's legal guardian.

(3) The minor's employer shall deposit 15 percent of the minor's gross earnings pursuant to the contract within 15 business days of receiving the trustee's statement pursuant to ~~subdivision (c)~~ of Section 6753, or if the court denies approval of the contract, within 15 business days of receiving a final order denying approval of the contract. Notwithstanding any other statute, pending receipt of the trustee's statement or the final court order, the minor's employer shall hold for the benefit of the minor the 15 percent of the minor's gross earnings pursuant to the contract. When making

1 the initial deposit of funds, the minor's employer shall provide
2 written notification to the financial institution or company that the
3 funds are subject to Section 6753.

4 (4) Once the minor's employer deposits the set aside funds in
5 trust, in an account or other savings plan pursuant to Section 6753,
6 the minor's employer shall have no further obligation or duty to
7 monitor or account for the funds. The trustee or trustees of the trust
8 shall be the only individual, individuals, entity, or entities with the
9 obligation or duty to monitor and account for those funds once they
10 have been deposited by the minor's employer. The trustee or
11 trustees shall do an annual accounting of the funds held in trust, in
12 an account or other savings plan, in accordance with Sections
13 16062 and 16063 of the Probate Code.

14 (5) Upon petition of the parent or legal guardian, the minor,
15 through his or her guardian ad litem, or the trustee or trustees of
16 the trust, to the superior court in any county in which the minor
17 resides or in which the trust is established, the court may at any
18 time, on good cause shown, order that the trust be amended or
19 terminated, notwithstanding the provisions of the declaration of
20 trust. An order amending or terminating a trust may be made only
21 after reasonable notice to the beneficiary and, if the beneficiary is
22 then a minor, to the parent or guardian, if any, and to the trustee or
23 trustees of the funds with opportunity for all parties to appear and
24 be heard.

25 (6) A parent or guardian, ~~as the case may be~~, entitled to the
26 physical custody, care, and control of the minor shall promptly
27 notify the minor's employer in writing of any change in facts that
28 affect the employer's obligation or ability to set aside funds for the
29 benefit of the minor in accordance with this section, including, but
30 not limited to, a change of financial institution or account number,
31 or the existence of a new or amended order issued pursuant to
32 paragraph (5) amending or terminating the employer's obligations
33 under this section. The written notification shall be accompanied
34 by a true and accurate photocopy of the trustee's statement and
35 attachments pursuant to ~~subdivision (c) of Section 6753, or~~ and,
36 *if applicable*, a true and accurate photocopy of the new or amended
37 order.

38 (7) (A) If a parent, guardian, or trustee fails to provide the
39 minor's employer with a true and accurate photocopy of the
40 trustee's statement pursuant to Section 6753, within 60 days of

1 *after* commencement of employment, the employer shall forward
 2 to The Actors' Fund of America the 15 percent of the minor's gross
 3 earnings pursuant to the contract, *together with the minor's name*
 4 *and, if known, the minor's social security number, birth date, last*
 5 *known address, telephone number, e-mail address, dates of*
 6 *employment, and the title of the project on which the minor was*
 7 *employed*, and shall notify the parent, guardian, or trustee of that
 8 transfer by certified mail to the last known address. Upon ~~that~~
 9 ~~transfer, the receipt of those forwarded funds~~, The Actors' Fund of
 10 America shall become the trustee of those funds and the minor's
 11 employer shall have no further obligation or duty to monitor or
 12 account for the funds.

13 (B) The Actors' Fund of America shall make best efforts to
 14 notify the parent, guardian, or trustee of their responsibilities to
 15 provide a true and accurate photocopy of the trustee's statement
 16 pursuant to Section 6753 and in the case of a guardian, a certified
 17 copy of the court document appointing the person as the minor's
 18 legal guardian. After receiving those documents, The Actors'
 19 Fund of America shall deposit or disburse the funds as directed by
 20 the trustee's statement, and in accordance with Section 6753,
 21 within 15 business days. When making that deposit or disbursal of
 22 the funds, The Actors' Fund of America shall provide notice to the
 23 financial institution that the funds are subject to Section 6753, and
 24 shall thereafter have no further obligation or duty to monitor or
 25 account for the funds.

26 (C) The Actors' Fund of America shall notify each beneficiary
 27 of his or her entitlement to the funds that it holds for the
 28 beneficiary, within 60 days after the date on which its records
 29 indicate that the beneficiary has attained 18 years of age *or the date*
 30 *on which it received notice that the minor has been emancipated*,
 31 by sending that notice to the last known address that it has for the
 32 beneficiary, or to the beneficiary's parent or guardian, where it has
 33 no specific separate address for the beneficiary.

34 (d) Where a parent or guardian, ~~as the case may be~~, is entitled
 35 to the physical custody, care, and control of a minor who enters
 36 into a contract of a type described in Section 6750, the relationship
 37 between the parent or guardian, ~~as the case may be~~, and the minor
 38 is a fiduciary relationship that is governed by the law of trusts,
 39 whether or not a court has issued a formal order to that effect. The
 40 parent or guardian, ~~as the case may be~~, acting in his or her fiduciary

relationship, shall, with the earnings and accumulations of the minor under the contract, pay all liabilities incurred by the minor under the contract, including, but not limited to, payments for taxes on all earnings, including taxes on the amounts set aside under subdivisions (b) and (c) of this section, and payments for personal or professional services rendered to the minor or the business related to the contract. Nothing in this subdivision shall be construed to alter any other existing responsibilities of a parent or legal guardian to provide for the support of a minor child.

(e) (1) Except as otherwise provided in this subdivision, ~~the~~ *The Actors' Fund of America*, as trustee of unclaimed set-aside funds, shall manage and administer those funds in the same manner as a trustee under the Probate Code. Notwithstanding the foregoing, ~~the~~ *The Actors' Fund of America* is not required to open separate, segregated individual trust accounts for each beneficiary but may hold the set-aside funds in a single, segregated master account for all beneficiaries, provided it maintains accounting records for each beneficiary's interest in the master account.

~~(2) (A) After one year following the date that it provides the notice under subparagraph (C) of paragraph (7) of subdivision (e), if the beneficiary does not claim his or her account balance, the~~

(2) *The Actors' Fund of America* shall have the right to transfer funds from the master account, or from a beneficiary's segregated account to its general account in an amount equal to the beneficiary's balance. *The Actors' Fund of America* shall have the right to use those funds transferred to its general account to provide programs and services for young performers. This use of the funds does not limit or alter ~~the~~ *The Actors' Fund of America's* obligation to disburse the set-aside funds to the beneficiary, or the beneficiary's parent, guardian, trustee, or estate pursuant to this chapter.

~~(B) If the beneficiary, or his or her representative or estate, later claims the beneficiary's balance, after the date on which the beneficiary's account balance has been transferred to the general account of the Actors' Fund of America under subparagraph (A), then that balance shall be increased during the period after that date by an imputed investment return, as adjusted quarterly, that equals the federal reserve rate in effect on the last business day of the prior calendar quarter of or, if lower, the national average money market~~

rate as published in The New York Times on the last Sunday of the prior calendar quarter.

~~(3) In determining each beneficiary's balance, the Actors' Fund of America may charge the beneficiary for reasonable management, administrative, and investment expenses, including beneficiary-specific fees for initial set up, account notifications, and account disbursements, and a reasonably allocable share of management, administrative, and investment expenses of the master account.~~

~~(4)~~

(3) (A) Upon receiving a certified copy of the beneficiary's birth certificate, or United States passport, and a true and accurate photocopy of the trustee's statement pursuant to Section 6753, ~~the~~ The Actors' Fund of America shall transfer the beneficiary's balance to the trust account established for the beneficiary.

(B) The Actors' Fund of America shall disburse the set-aside funds to a beneficiary who has attained 18 years of age, after receiving proof of the beneficiary's identity and a certified copy of the beneficiary's birth certificate or United States passport, *or to a beneficiary who has been emancipated, after receiving proof of the beneficiary's identity and appropriate documentation evidencing the beneficiary's emancipation.*

(C) The Actors' Fund of America shall disburse the set-aside funds to the estate of a deceased beneficiary after receiving appropriate documentation evidencing the death of the beneficiary and the claimant's authority to collect those funds on behalf of the beneficiary.

(f) *The beneficiary of an account held by The Actors' Fund of America pursuant to this section shall be entitled to receive imputed interest on the balance in his or her account for the entire period during which the account is held at a rate equal to the lesser of the federal reserve rate in effect on the last business day of the prior calendar quarter or the national average money market rate as published in the New York Times on the last Sunday of the prior calendar quarter, adjusted quarterly.*

(2) *The Actors' Fund of America may assess and deduct from the balance in the beneficiary's account reasonable management, administrative, and investment expenses, including beneficiary-specific fees for initial set up, account notifications and account disbursements, and a reasonably allocable share of*

1 *management, administrative, and investment expenses of the*
2 *master account. No fees may be charged to any beneficiary's*
3 *account during the first year that the account is held by The Actors'*
4 *Fund of America.*

5 (3) *Notwithstanding paragraph (2), the amount paid on any*
6 *claim made by a beneficiary or the beneficiary's parent or*
7 *guardian after The Actor's Fund of America receives and holds*
8 *funds pursuant to this section may not be less than the amount of*
9 *the funds received plus the imputed interest.*

10 (g) *Notwithstanding any provision of this chapter to the*
11 *contrary, any minor's employer holding set-aside funds under this*
12 *chapter, which funds remain unclaimed 60 days after the effective*
13 *date hereof, shall forward those unclaimed funds to the The*
14 *Actors' Fund of America, along with the minor's name and, if*
15 *known, the minor's social security number and last known address*
16 *birth date, last known address, telephone number, e-mail address,*
17 *dates of employment, and the title of the project on which the minor*
18 *was employed, and shall notify the parent, guardian, or trustee of*
19 *that transfer by certified mail to the last known address. Upon that*
20 *transfer to the receipt of those forwarded funds by The Actors'*
21 *Fund of America, the minor's employer shall have no further*
22 *obligation or duty to monitor or account for the funds.*

23 ~~(g)~~

24 (h) *All funds received by the The Actors' Fund of America*
25 *pursuant to this section shall be exempt from the application of the*
26 *Unclaimed Property Law (Title 10 (commencing with Section*
27 *1300) of Part 3 of the Code of Civil Procedure), including, but not*
28 *limited to, Section 1510 of the Code of Civil Procedure.*

29 SEC. 3. Section 6753 of the Family Code is amended to read:

30 6753. (a) *The trustee or trustees shall establish a trust*
31 *account, which that shall be known as a Coogan Trust Account,*
32 *pursuant to this section at a bank, savings and loan institution,*
33 *credit union, brokerage firm, or company registered under the*
34 *Investment Company Act of 1940, that is located in the State of*
35 *California, unless a similar trust has been previously established,*
36 *for the purpose of preserving for the benefit of the minor the*
37 *portion of the minor's gross earnings pursuant to paragraph (1) of*
38 *subdivision (b) of Section 6752 or pursuant to paragraph (1) of*
39 *subdivision (c) of Section 6752. The trustee or trustees shall*
40 *establish the trust pursuant to this section within seven business*

1 days after the minor's contract is signed by the minor, the
2 third-party individual or personal services corporation (loan-out
3 company), and the employer.

4 (b) Except as otherwise provided in this section, prior to the
5 date on which the beneficiary of the trust attains the age of 18 years
6 or the issuance of a declaration of emancipation of the minor under
7 Section 7122, no withdrawal by the beneficiary or any other
8 individual, individuals, entity, or entities may be made of funds on
9 deposit in trust without written order of the superior court pursuant
10 to paragraph (7) of subdivision (b) or paragraph (5) of subdivision
11 (c) of Section 6752. Upon reaching the age of 18 years, the
12 beneficiary may withdraw the funds on deposit in trust only after
13 providing a certified copy of the beneficiary's birth certificate to
14 the financial institution where the trust is located.

15 (c) The trustee or trustees shall, within 10 business days after
16 the minor's contract is signed by the minor, the third-party
17 individual or personal services corporation (loan-out company),
18 and the employer, prepare a written statement under penalty of
19 perjury that shall include the name, address, and telephone number
20 of the financial institution, the name of the account, the number of
21 the account, the name of the minor beneficiary, the name of the
22 trustee or trustees of the account, and any additional information
23 needed by the minor's employer to deposit into the account the
24 portion of the minor's gross earnings prescribed by paragraph (1)
25 of subdivision (b) or paragraph (1) of subdivision (c) of Section
26 6752. The trustee or trustees shall attach to the written statement
27 a true and accurate photocopy of any information received from
28 the financial institution confirming the creation of the account,
29 such as an account agreement, account terms, passbook, or other
30 similar writings.

31 ~~(d) If the trust is established in the United States, it shall be~~
32 ~~established~~

33 *(d) The trust shall be established in California* either with a
34 financial institution that is and remains insured at all times by the
35 Federal Deposit Insurance Corporation (FDIC), the Securities
36 Investor Protection Corporation (SIPC), or the National Credit
37 Union Share Insurance Fund (NCUSIF) or their respective
38 successors, or with a company that is and remains registered under
39 the Investment Company Act of 1940. ~~If the trust is established~~
40 ~~outside the United States, the financial institution shall be a~~

~~first-class international bank.~~ The trustee or trustees of the trust shall be the only individual, individuals, entity, or entities with the obligation or duty to ensure that the funds remain in trust, in an account or other savings plan, ~~in a financial institution~~ insured in accordance with this section, or with a company that is and remains registered under the Investment Company Act of 1940 as authorized by this section.

(e) Upon application by the trustee or trustees to the financial institution or company ~~where in which~~ the trust is held, the trust funds ~~may shall~~ be handled by the ~~trustee or trustees~~ *financial institution or company* in one or more of the following methods:

(1) The ~~trustee or trustees~~ *financial institution or company* may transfer funds to another account or other savings plan at the same financial institution or company, provided that the funds transferred shall continue to be held in trust, and subject to this chapter.

(2) The ~~trustee or trustees~~ *financial institution or company* may transfer funds to another financial institution or company, provided that the funds transferred shall continue to be held in trust, and subject to this chapter and that the ~~trustee or trustees~~ *have transferring financial institution or company* has provided written notification to the financial institution or company to which the funds will be transferred that the funds are subject to this section and written notice of the requirements of this chapter.

(3) The ~~trustee or trustees~~ *financial institution or company* may use all or a part of the funds to purchase, in the name of and for the benefit of the minor, (A) investment funds offered by a company registered under the Investment Company Act of 1940, provided that if the underlying investments are equity securities, the investment fund is a broad-based index fund or invests broadly across the domestic or a foreign regional economy, is not a sector fund, and has assets under management of at least two hundred fifty million dollars (\$250,000,000); or (B) government securities and bonds, certificates of deposit, money market instruments, money market accounts, or mutual funds investing solely in those government securities and bonds, certificates, instruments, and accounts, that are available at the financial institution where the trust fund or other savings plan is held, provided that the funds ~~remain in trust at a financial institution insured by the FDIC, SIPC, or NCUSIF if within the United States or maintained in a first-class~~

~~international bank if not within the United States; provided that~~
~~shall continue to be held in trust and subject to this chapter; those~~
~~purchases shall have a maturity date on or before the date upon~~
~~which the minor will attain the age of 18 years, and provided~~
~~further that any proceeds accruing from those purchases shall be~~
~~redeposited into that account or accounts or used to further~~
~~purchase any of those or similar securities, bonds, certificates,~~
~~instruments, funds, or accounts.~~

~~SEC. 4. Section 1300.5 is added to the Labor Code, to read:~~

~~1300.5. (a) The work permit of a minor in the entertainment~~
~~industry may not be renewed, nor may a subsequent work permit~~
~~be issued, unless the parent or guardian demonstrates to the~~
~~department that a trust in accordance with Section 6753 of the~~
~~Family Code has been established for the benefit of the minor.~~

~~(b) The limitation in subdivision (a) does not apply to the~~
~~issuance of an employer's blanket minor work permit, or to a~~
~~minor covered by a blanket work permit, if the minor subsequently~~
~~seeks to obtain an initial individual permit to work.~~

~~SEC. 4. Section 1308.6 of the Labor Code is amended to read:~~

~~1308.6. (a) No consent shall be given at any time unless the~~
~~officer giving it is satisfied that all of the following conditions are~~
~~met:~~

~~(a)~~
~~(1) The environment in which the performance, concert, or~~
~~entertainment is to be produced is proper for the minor.~~

~~(b)~~
~~(2) The conditions of employment are not detrimental to the~~
~~health of the minor.~~

~~(c)~~
~~(3) The minor's education will not be neglected or hampered~~
~~by his or her participation in the performance, concert, or~~
~~entertainment.~~

~~(b) Without limiting the requirements of subdivision (a), the~~
~~Labor Commissioner may consent to the employment of a minor~~
~~on a temporary basis for a period not exceeding 30 days in the~~
~~aggregate in any calendar year. Consent for a longer or additional~~
~~period may be given only if the parent or guardian demonstrates~~
~~that a Coogan Trust Account has been established for the minor in~~
~~accordance with Section 6753 of the Family Code or if a written~~
~~statement is provided by the employer that, in the absence of a~~

1 *Coogan Trust Account established by the parent or guardian of the*
2 *minor; the employer shall transfer 15 percent of the minor's*
3 *earnings to a specified account as described in Section 6753 of the*
4 *Family Code.*

5 (c) The Labor Commissioner may require the authority
6 charged with the issuance of age and schooling certificates to make
7 the necessary investigation into the conditions covered by this
8 section.

9 SEC. 5. This act is an urgency statute necessary for the
10 immediate preservation of the public peace, health, or safety
11 within the meaning of Article IV of the Constitution and shall go
12 into immediate effect. The facts constituting the necessity are:

13 Because of the substantial amount of minors' earnings that
14 cannot be placed into trust under existing law, currently estimated
15 to exceed one million dollars (\$1,000,000), it is necessary that this
16 act take effect immediately.

